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May 14, 2001

5/13/002

Ashley National Forest
355 North Vernal Avenue
Vernal, Utah 84078

Attn: Chauncie Todd

Re: Responses to Letter of 4/16/01 & Meeting of 5/10/01

Dear Chauncie:

As agreed during our meeting on May 10, 2001, Uintah Mountain Copper Company is providing the attached clarifications and modifications to the Plan of Operations. These changes are supplemental and do not materially change the original scope of work.

Once we have been informed that the IDT has finalized these and the previous supplements and that no other supplements are required, UMCC will submit a revised and updated POO to replaced the draft document that will include all information from this supplement and the two previous supplements dated 12/30/00 and 11/30/00.

Please contact me if you have any other questions.

Sincerely,

Peter Kandaris, President
Uintah Mountain Copper Company

cc: Pamela Kandaris-Cha
Bert Kulesza
Joe Bistryski
Garth Heaton (by e-mail)

Supplemental Information for USFS Letter of 4/16/01 and Meeting on 5/10/01

Item 1 – Acreage Figures

The draft Plan of Operations dated 9/1/99 and the supplemental package dated 11/30/00 defined information on acreage involved with the test pit project, but did not summarize the areas involved. A letter from UMCC on 7/13/00 to the Utah Department of Oil, Gas & Mining has provided the basis for all acreage calculations. UMCC understood that it only needed to report areas that would require reclamation upon completion of the test pit project; and therefore had not included all areas to be involved with the work (areas that no reclamation would be needed). Base upon our recent meeting with the IDT, UMCC will add a 0.25 acre area (approximately 100-ft by 100-ft) at the turn-around location about 1800 feet from the test pit (see the revised Sample Ore Transport Route Map). In addition, 1.02 acres will be added at the camp site to accommodate drive areas and vehicle parking (see the revised Camp/Transfer Site map). The total summary of acreage involved with the test pit project is shown below and should be added to the project description within Section A of the POO Supplemental Discussion.

	Presently Disturbed Area	Total Disturbed/Used Area including POO Activities
Access/Spur Roads	1.37 acres	1.62 acres
Camp Site	0.01 acre	1.26 acres
Mine Pit Area	0.00 acre	0.05 acre
Totals	1.38 acres	3.17 acres

Item 2 – Overburden Storage

Section E of the POO Supplemental Discussion provides the basic description of the 2000 cubic yards of overburden and topsoil storage location for the test pit project. The POO notes an area 250 feet long and 10 to 15 feet wide for storage. As identified by the IDT, this would be inadequate for the expected volume. After reviewing the site map, it was found that an incorrect road length was reported in the POO. The access road in this section of the work is over 400 feet long and varies from 10 to 15 feet in width. In addition, approximately 600 cubic yards of overburden will be stored and processed for gabion/drainage rock along the 200 foot long by 15 foot wide Spur Road #1. This will allow the remaining 1400 cubic yards of overburden to be stored along the road (400 feet long, 12.5 feet wide, 7.5 feet deep). Map 3 provides a scaled map of the proposed areas.

Items 3 & 4 – Pit Stability and Construction

Per the recent IDT meeting on 5/10/01, UMCC agreed to modify the pit configuration to satisfy USFS engineers concerns on stability and constructability. In general, this revised reclamation slope eliminates the two upper gabion terraces, broadens the second terrace to provide a catchment for loose soil and rock, installs a rock net along exposed rock faces that can be vegetated, and extends the gabion walls into competent material to prevent side erosion. Backfill layers will also include a drainage and filter system to

prevent the buildup of hydrostatic pressures and geogrid reinforcement to improve the stability of the reclaimed slope. The fourth paragraph of POO Supplemental Discussion is modified as follows (see attached modifications to Figures A through D):

> The pit will be backfilled by following the process in reverse and using the adjacent spur road for access to the upper reaches of the cut (Figure C). Overburden will be placed behind the existing gabion (one additional basket lift will be placed at the time of fill) to the base elevation of the next higher gabion system (Elev. 10255). A one foot thick drainage layer will be placed along the bottom and sides of the excavation. This layer will be covered with a filter fabric to prevent migration of fines from the remainder of the backfill. Geogrid layers (Tensar type) will be place along the top of the drainage filter and laterally at each gabion lift. The second wall system will be placed to a final elevation of 10264, in the same manner as the first wall system. The terrace created by backfilling behind this wall will be sloped back slightly to the rock face to create a catchment for rock and soil from upper elevations. Upon completion of the second wall system, a rock net will be installed along the remainder of the open cut rock face (as shown in Figure D). Once all upper level work is complete, the existing lower gabion wall will be extended to the northwest, with final backfill placed from the access road by use of the excavator.

Fill requirements are reduced by modifying the scope of the reclaimed section per the USFS engineer's request. It is estimated that the drainage system and gabions will require about 300 cubic yards of screened rock fill. The remainder of the backfill needed to reclaim the slope and terraces is reduced to 1300 cubic yards. Combined backfill requirements reduce to 1600 cubic yards, or 80% of removed non-ore material. A review of the drill logs indicate that about 700 cubic yards of good quality gabion rock will be available from the excavation area. If additional gabion material is needed, high quality gabion rock can be obtained from along the upper slopes of Spur Road #1 (200 feet long). It is estimated that 0.5 to 1.0 cubic yard of gabion rock per linear foot of road can be removed during road reclamation to supplement the process.

With the modified slope, previously reported low stability safety factors are improved. New slope stability calculations along with backup data on the material properties of soils and rock will be provided by mid-June 2001.

Items 5 – Long Haul Travel Estimates

Ore haul trips noted in the POO and supplemental data remain valid. Drill logs provide geologic estimates of 650 cubic yards of ore in the test pit area. Measured in-place ore density averages 180 pounds per cubic foot, or 2.43 tons per cubic yard. Total sample ore to be hauled from the test pit is, therefore, calculated to be 1580 tons. Company ore removal time estimates show that 100 tons per day can be generated at the site. Long-haul trucks are typically double trailers that can legally haul an average of 25 tons per trip, or 4 trips per day. Therefore, in 16 days there will be 64 long-haul trips into and out of the camp site (64 out-going and loaded to 25 tons, 64 in-bound and empty).

UMCC agrees to provide the USFS compensation for road damage that is consistent with methods used for other industries utilizing forest roads. Per our meeting, we

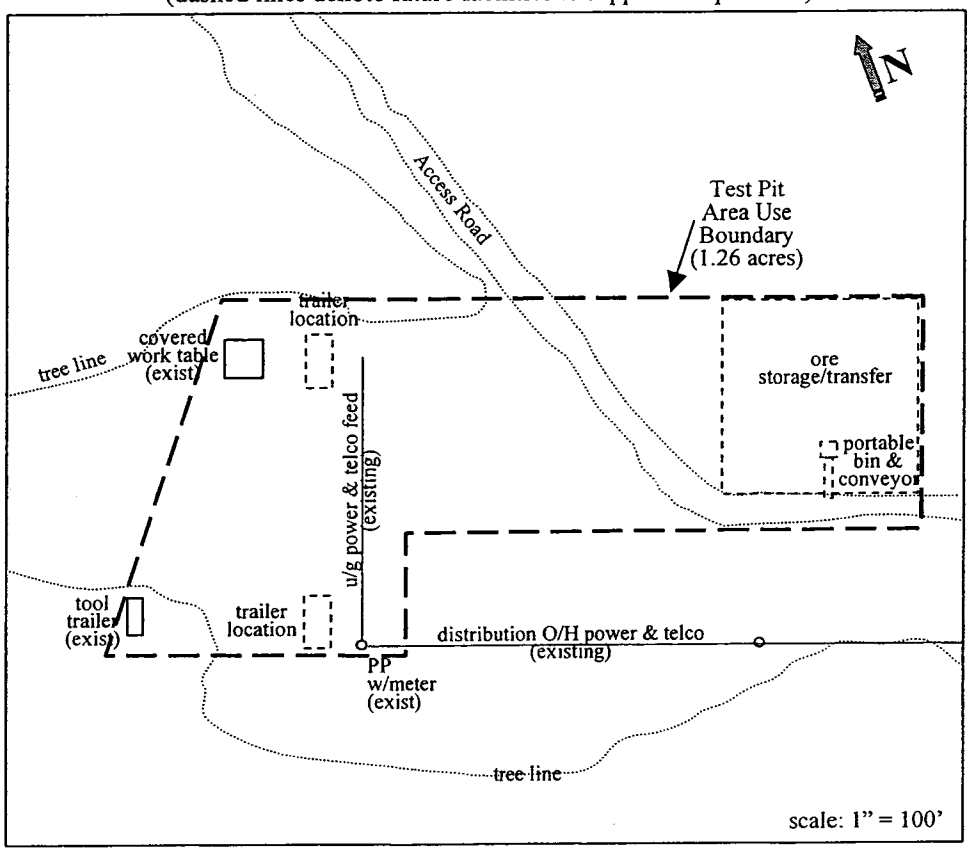
understand that the USFS will provide the bond amount to UMCC prior to the start of work.

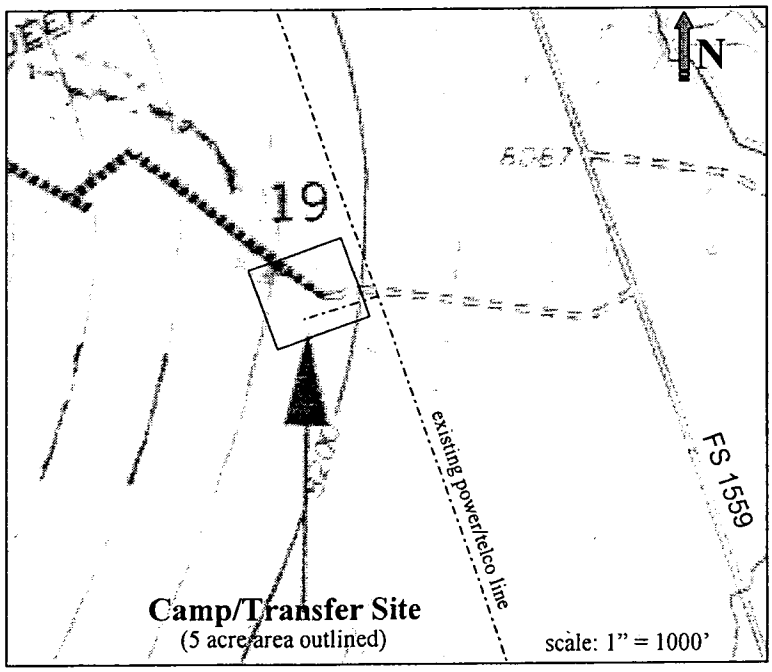
Other Items – Drainage Issues

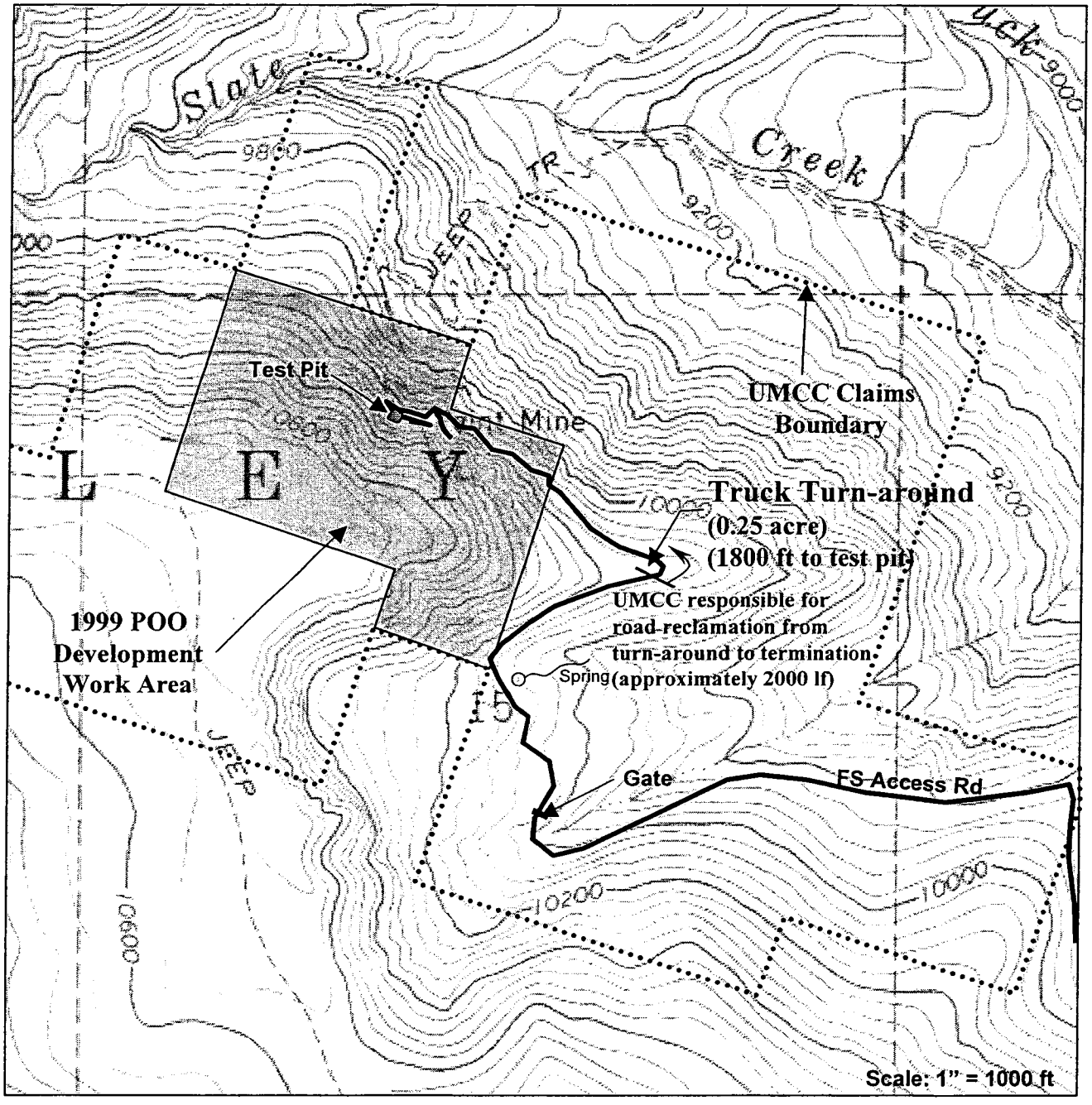
During the meeting of 5/10/01, USFS representatives noted that drainage problems exist on a section of road within the upper 1800 feet to the test pit site. UMCC agrees to improve drainage along this section using methods identified in the standard details proposed for Water Quality issues from the 11/30/00 supplement. Specifically, water bars will be constructed as directed by the USFS to remove water to the outer edge of the road and prevent collection of storm waters at erosive sections. Low points and outflows that collect water will be protected with rip-rap rock to prevent erosion. At these locations, water will be allowed to cross through the rock drainage blanket, flowing under road beds. Filter fabric will cover the rock drain and a road bed will be reconstructed above. A detail showing this type of erosion protection is attached.

Camp/Transfer Site

(note: structure locations have not been surveyed in and are shown as approximate
(dashed lines denote future facilities to support test pit work)

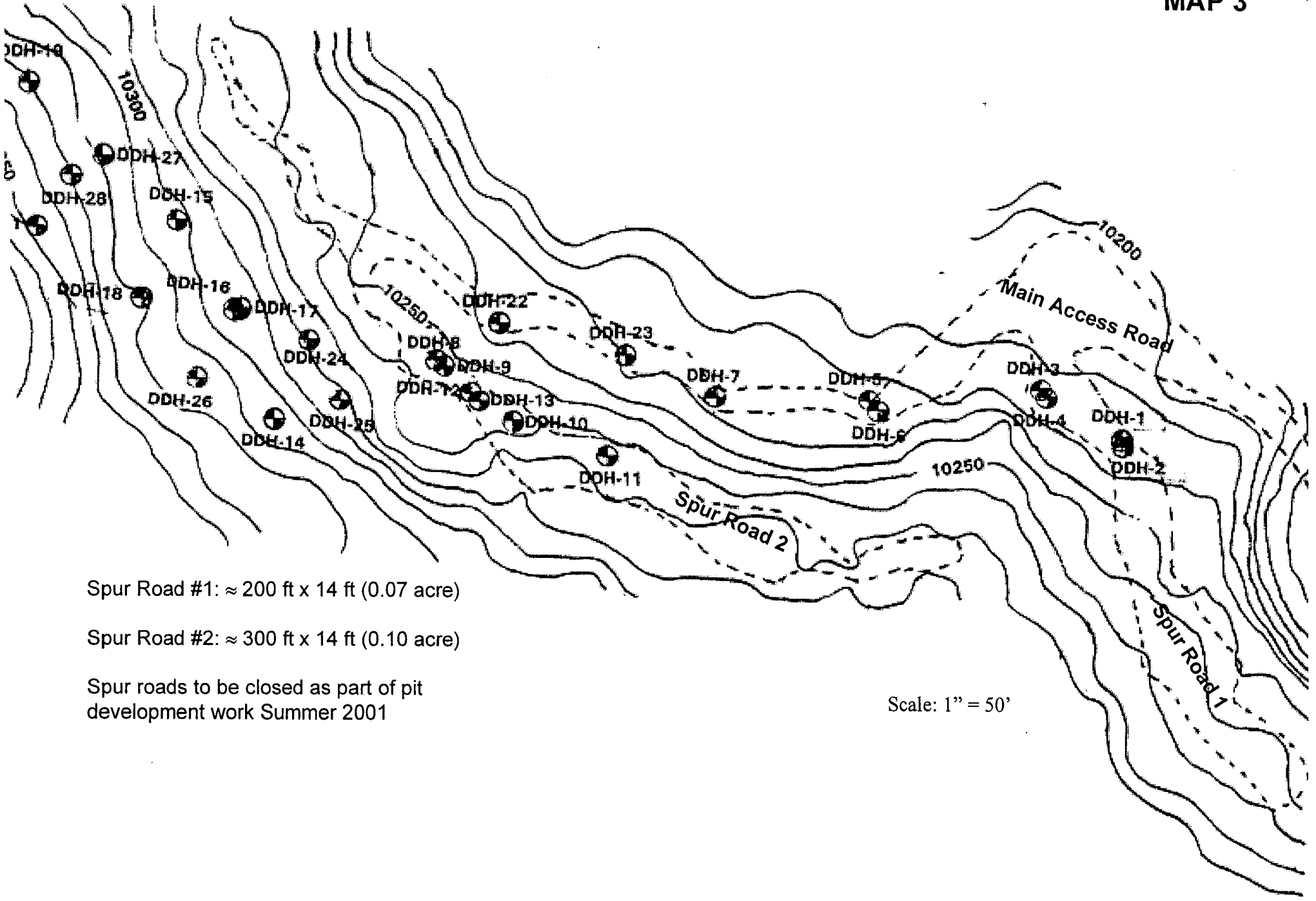






Sample Ore Transport Route Map

MAP 3



Spur Road #1: ≈ 200 ft x 14 ft (0.07 acre)

Spur Road #2: ≈ 300 ft x 14 ft (0.10 acre)

Spur roads to be closed as part of pit development work Summer 2001

Scale: 1" = 50'

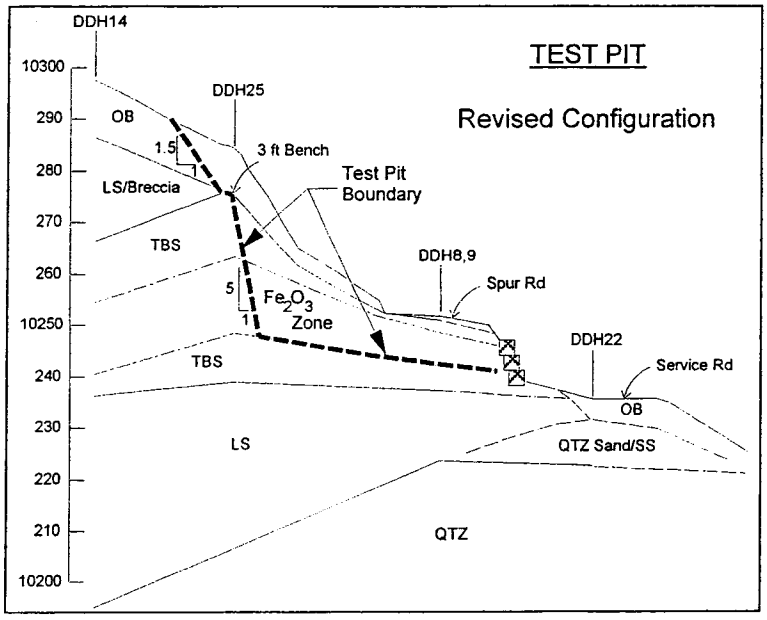
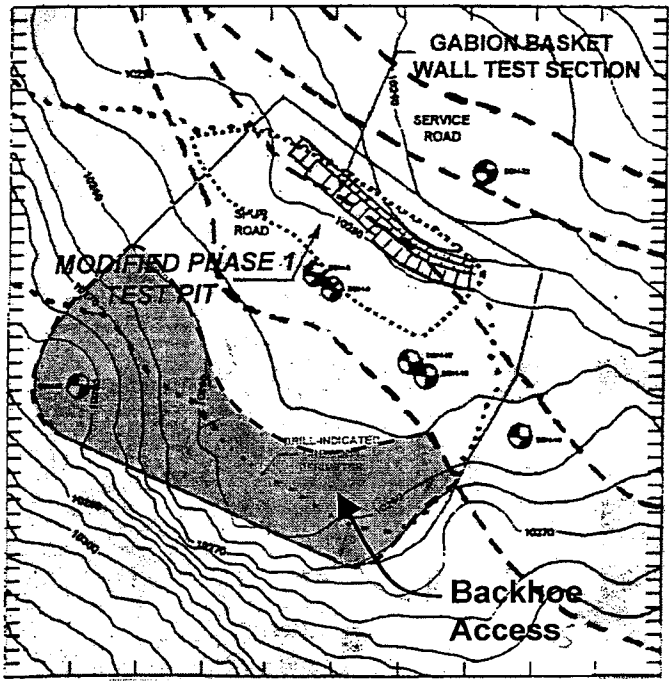
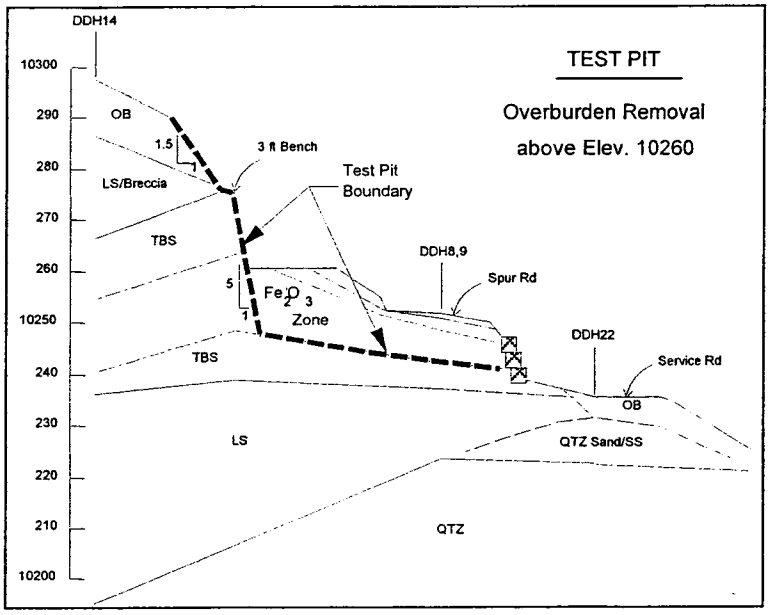


Figure A

Revised Test Pit Configuration
Staged Excavtion
Overburden Removal





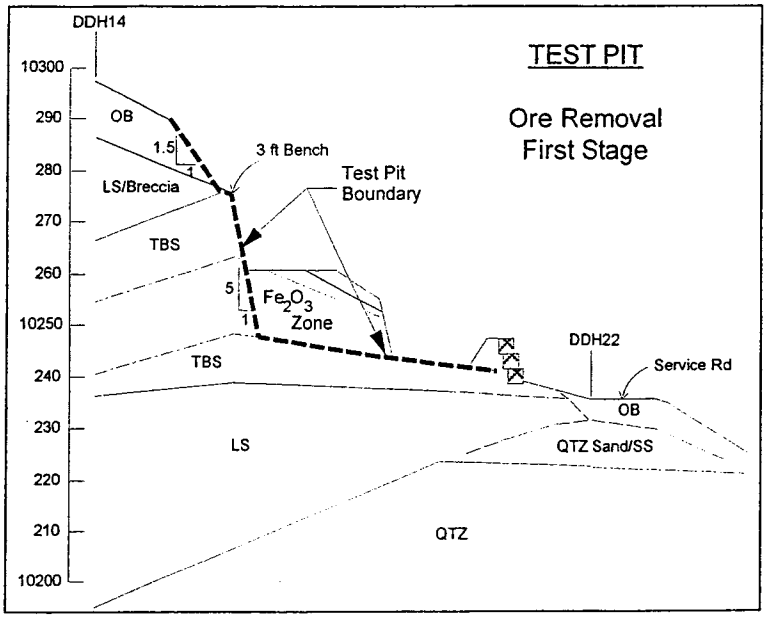
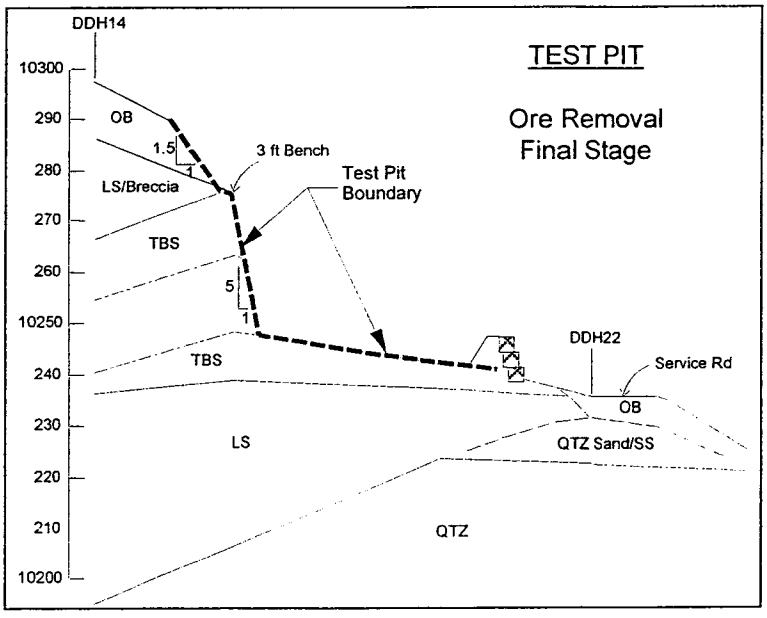


Figure B

Revised Test Pit Configuration
Staged Excavtion
Overburden Removal



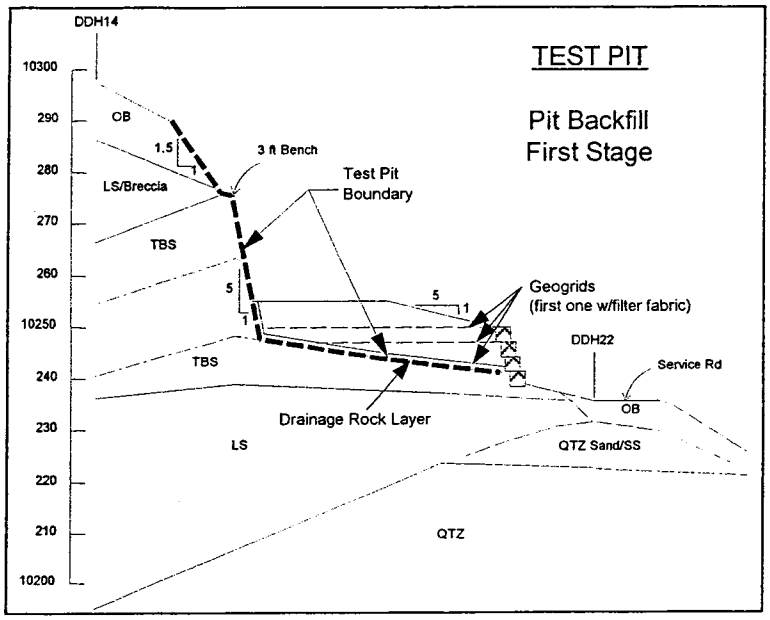
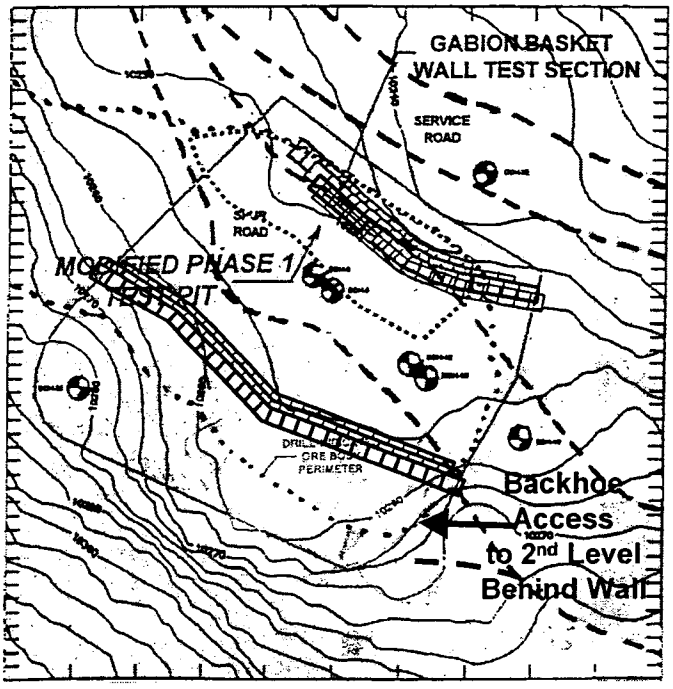
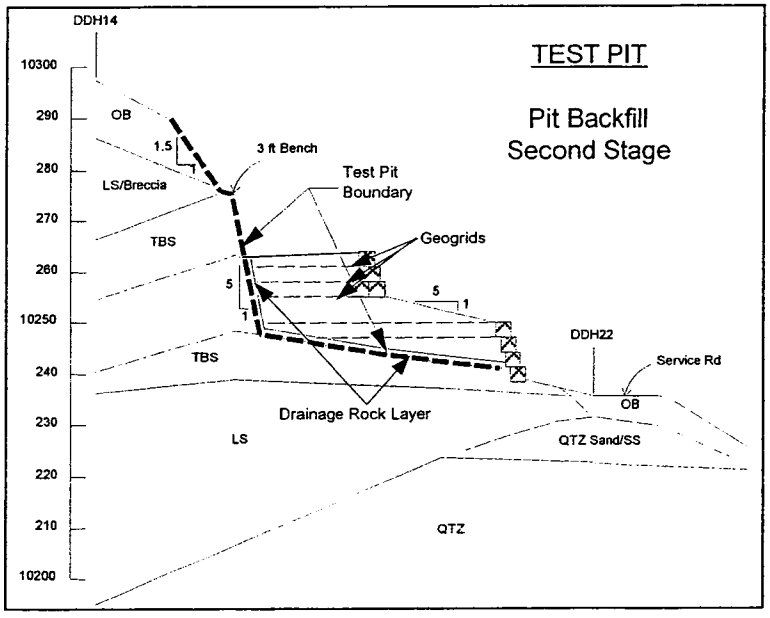


Figure C

Revised Test Pit Configuration
Staged Excavtion
Gabion Installation





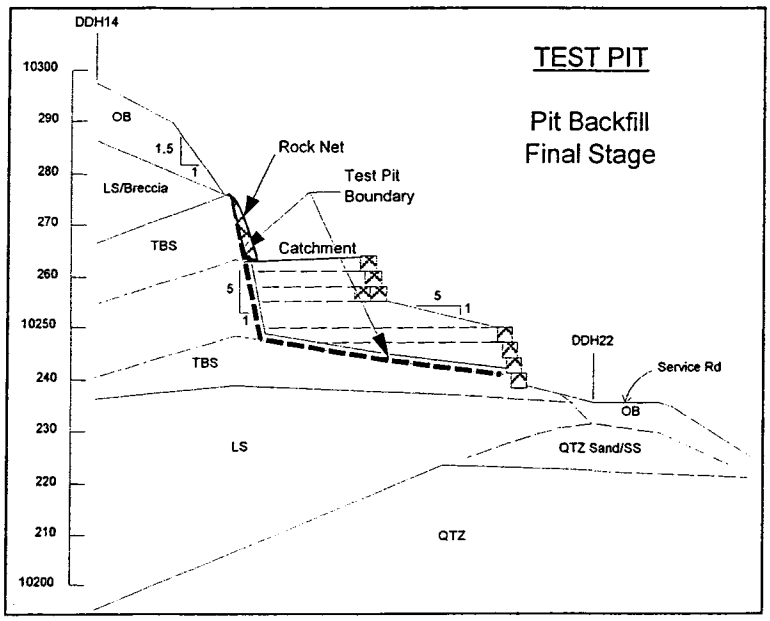
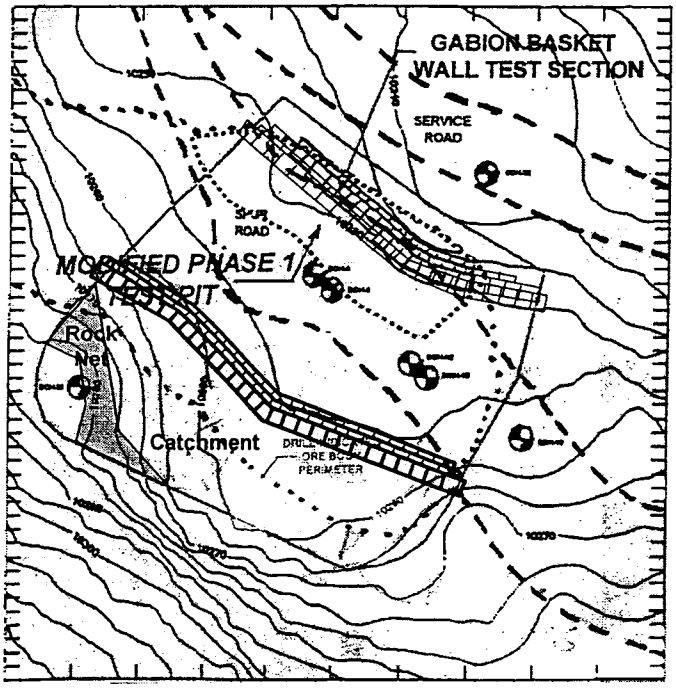
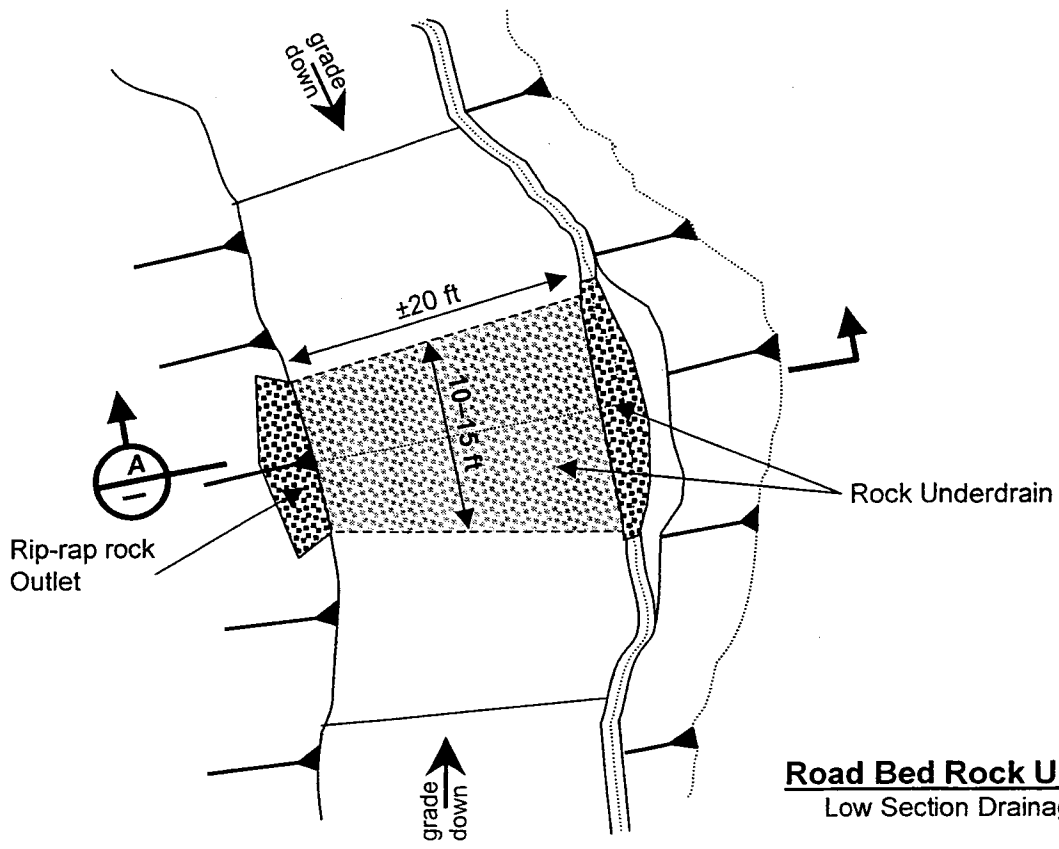


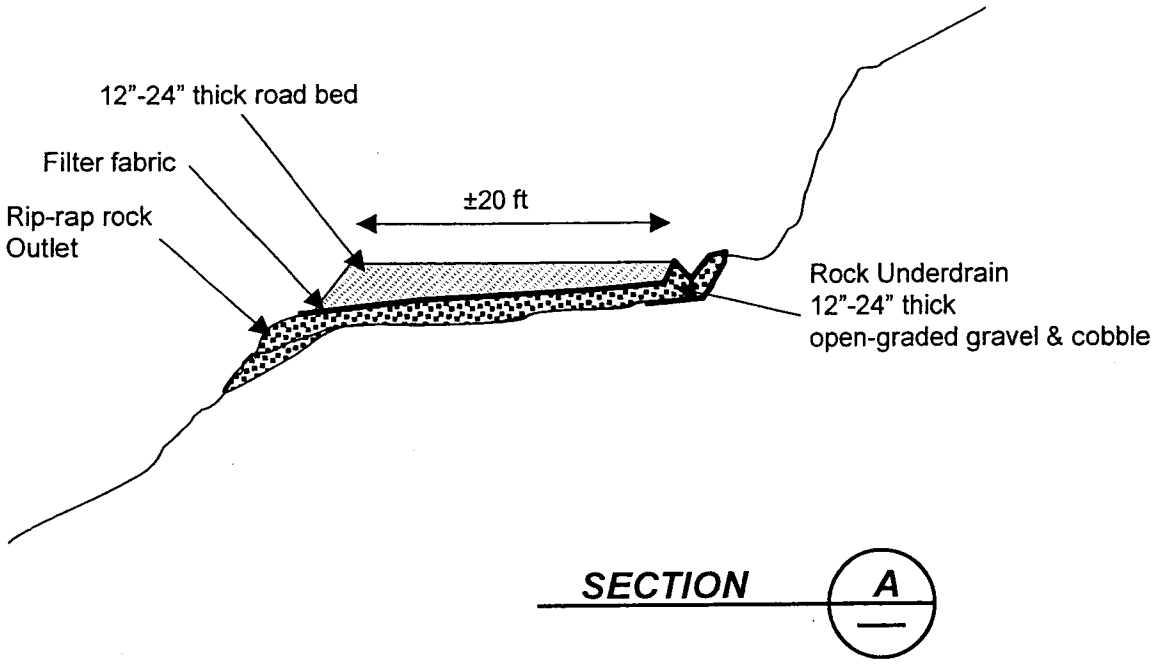
Figure D

Revised Test Pit Configuration
Staged Excavtion
Rock Net on Catchment





Road Bed Rock Underdrain
Low Section Drainage (NTS)



SECTION A